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BEFORE THE

UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS & PRIORITY MAIL
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 14

DOCKET No. MC2013-58

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 14
(MC2013-58)
NEGOTIATED SERVICE AGREEMENT

DOCKET No. CP2013-79

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE TO ORDER 1825 CONCERNING ADDITION OF PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 14 TO THE COMPETITIVE PRODUCT LIST

(September 10, 2013)

I. BACKGROUND

In response to Order No. 1825,¹ the Public Representative hereby comments on the August 30, 2013, Request² the United States Postal Service (Postal Service) filed. The Postal Service filed a formal request and the associated supporting documentation to add Priority Mail Express & Priority Mail Contract 14 to the competitive product list.

The Public Representative observes that the Postal Service's Request appears to comport with the provisions of 39 U.S.C. 3642 and 39 CFR 3020.30 et seq. The contract appears to be beneficial to the Postal Service, the contract partner and the general public.

¹ Notice and Order Concerning Addition of Priority Mail Express & Priority Mail Contract 14 to the Competitive Product List, September 3, 2013 (Notice).

² Request of the United States Postal Service to Add Priority Mail Express & Priority Mail Contract 14 to the Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision Contract, and Supporting Data, August 30, 2013 (Request).

II. DISCUSSION

The Postal Service filed its Request to add Priority Mail Express and Priority Mail Contract 14 to the competitive product list. The contract is effective one business day following the date the Commission issues its approval. The contract is to be in effect for three years unless either party decides to terminate it.

Based on a review of the Postal Service's filings in Docket Nos. MC2013-58 and CP2013-79, to include the information and data filed under seal, it appears that the contract will meet the requirements of 39 U.S.C 3633(a) during the first year of the contract. However, no data was provided by the Postal Service to demonstrate that the contract will meet the requirements of 39 U.S.C. 3633(a) in subsequent years. The contract does contain terms that adjust the contract's prices annually. Therefore, it appears that the inclusion of the terms will facilitate the contract's ability to meet the requirements of 39 U.S.C. 3633(a) over the lifetime of the contract. In addition, the Public Representative is mindful that Postal Service will file cost, revenue, and volume data in each year's Annual Compliance Report that will aid the Commission in ensuring the requirements of 39 U.S.C. 3633(a) continue to be met.

III. CONCLUSION

After accessing and reviewing all materials the Postal Service submitted to include documents filed under seal for Docket Nos. MC2013-58 and CP2013-79, the Public Representative concludes that the contract will provide sufficient revenues to cover costs and satisfy the requirements of 39 U.S.C. § 3633(a). The annual adjustment mechanism for prices should help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) in subsequent years.

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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